

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN**

Northern Division

MACKINAC CENTER FOR PUBLIC POLICY,

Plaintiff,

v.

U.S. DEPARTMENT OF EDUCATION;

MIGUEL CARDONA, Secretary, U.S. Department
of Education, in his official capacity;

RICHARD CORDRAY, Chief Operating Officer of
Federal Student Aid, U.S. Department of Education,
in his official capacity;

Defendants.

CIVIL CASE NO. 1:23-cv-10795-TLL-PTM

STIPULATION

The parties respectfully enter into this stipulation and, for the reasons stated therein, jointly request that the Court enter the attached proposed order.

1. Plaintiff Mackinac Center for Public Policy filed a complaint in this action challenging the lawfulness of the Defendants' actions in placing a general pause on the obligation of federal student-loan borrowers to make monthly payments on their outstanding loan balances and on the accrual of interest on those balances. Plaintiff seeks declaratory and injunctive relief to end the pause and to enjoin further extensions thereof.
2. Plaintiff contends, among other things, that the pause is not authorized by the CARES Act, the HEROES Act, the Higher Education Act, or any other statute.

3. Plaintiff filed a motion for a preliminary injunction on May 11, 2023.
4. The President on June 3, 2023 signed into law the Fiscal Responsibility Act of 2023, Pub. L. No. 118-5, 137 Stat. 10, 33–34 (2023) (hereinafter the “FRA”), section 271 of which provides that “the waivers and modifications of statutory and regulatory provisions relating to an extension of the suspension of payments on certain loans and waivers of interest on such loans under section 3513 of the CARES Act” “shall cease to be effective” 60 days after June 30, 2023. *Id.* § 271(a), (c).
5. Section 271 further provides that “[e]xcept as expressly authorized by an Act of Congress enacted after the date of enactment of this Act, the Secretary of Education may not use any authority to implement an extension of” “the suspension of payments on certain loans and waivers of interest on such loans under section 3513 of the CARES Act.” *Id.* § 271(b), (c).
6. The parties seek to avoid unnecessary litigation concerning whether the pause can lawfully be extended or renewed by the Department beyond 60 days after June 30, 2023, based on the HEROES Act, the HEA, or another statute other than the CARES Act.
7. Defendants stipulate that, after the date of enactment of the FRA, they will not extend or renew the challenged pause based on the HEROES Act, the HEA, or any other statute enacted prior to the date of this stipulation.
8. In light of this stipulation, the parties agree that Plaintiff no longer requires the relief sought in its preliminary injunction motion.
9. Accordingly, Plaintiff hereby withdraws its preliminary injunction motion without prejudice.
10. The parties further stipulate to an extension of Defendants’ deadline to answer the complaint until October 30, 2023, so that, in the interim, the parties may engage in further discussions that may resolve this case without need for further action by the Court.

June 23, 2023

Respectfully submitted,

/s/ Sheng Li

SHENG LI
Litigation Counsel
RUSSELL G. RYAN
Senior Litigation Counsel
NEW CIVIL LIBERTIES ALLIANCE
1225 19th Street NW, Suite 450
Washington, DC 20036
(202) 869-5210
Sheng.Li@ncla.legal

Patrick J. Wright
Vice President for Legal Affairs
MACKINAC CENTER FOR PUBLIC POLICY
130 W. Main Street
Midland, MI 48640
(989) 430-3912

Attorneys for Plaintiff

BRIAN M. BOYNTON
Principal Deputy Assistant
Attorney General

MARCIA BERMAN
Assistant Branch Director

/s/ Cody T. Knapp

CODY T. KNAPP (NY #5715438)
Trial Attorney
U.S. Department of Justice
Civil Division
Federal Programs Branch
1100 L St. NW
Washington, D.C. 20005
Telephone: (202) 532-5663
Facsimile: (202) 616-8470
E-mail: cody.t.knapp@usdoj.gov

Counsel for Defendants

CERTIFICATE OF SERVICE

I hereby certify that, on June 23, 2023, a true and correct copy of the foregoing was filed electronically through the Court's CM/ECF system, to be served on counsel for all parties by operation of the Court's electronic filing system.

/s/ *Sheng Li*
Sheng Li